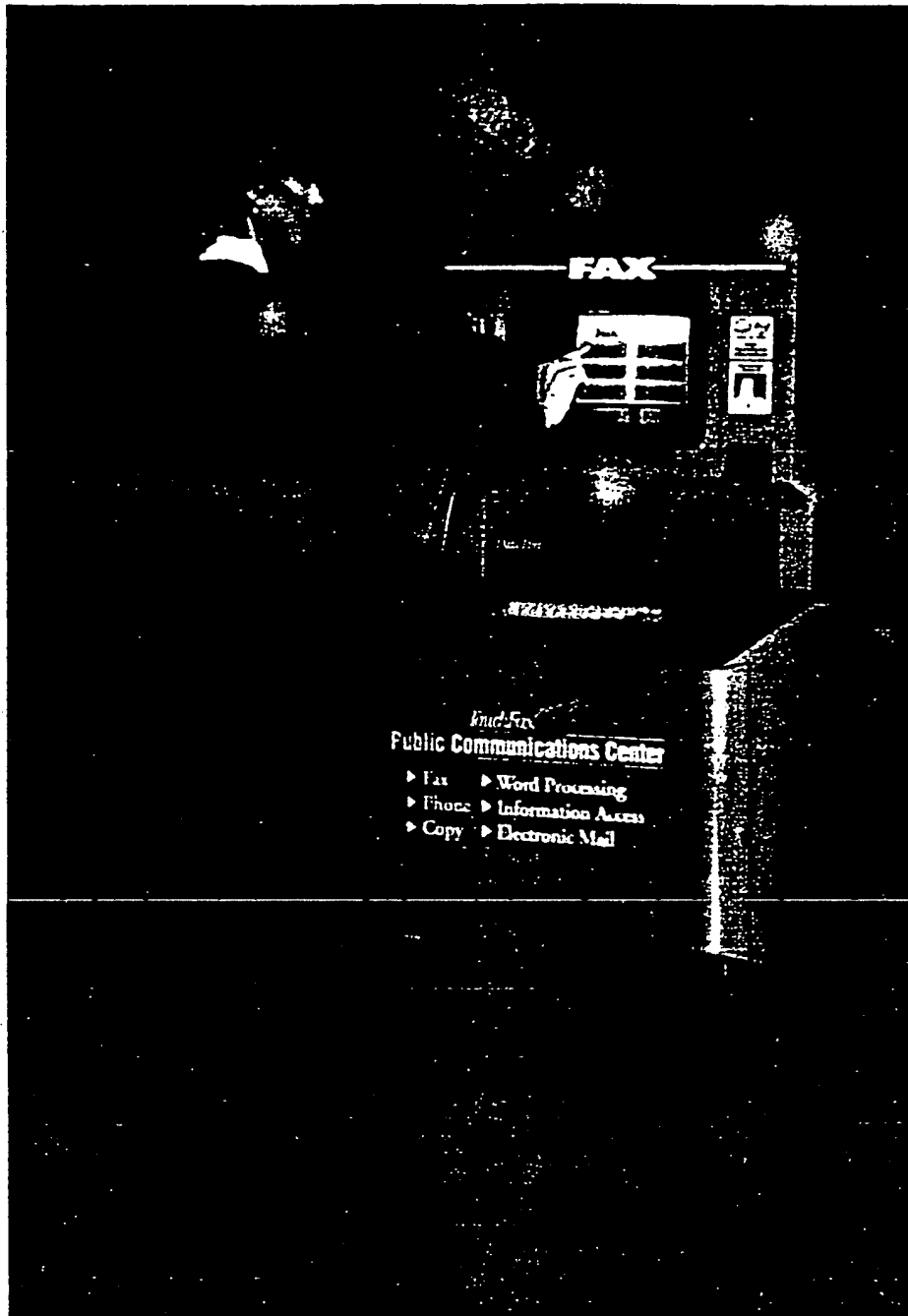


TouchFax



Multi-Media Interactive Terminal Location Opportunity

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History of TouchFax (continued)

In August 1991, TouchFax entered into an exclusive distributorship agreement with Landis & Gyr, the largest manufacturer of pay telephones in Europe. Landis & Gyr is now placing TouchFax terminals throughout Europe.

In 1992, TouchFax entered into an agreement with Mediatel, a subsidiary of Bell Canada, to purchase and install TouchFax terminals throughout Canada.

Overview of TouchFax Kansas City

TouchFax Information Systems has achieved success as the leading manufacturer and marketer of multi-media public fax and information services terminals. To further secure and extend this present leadership position, TouchFax has committed to implementing the full TouchFax vision in Kansas City by installing and operating a network of at least fifty public access terminals in the Kansas City metro area.

TouchFax Kansas City is the first step in launching TouchFax America, a national network of TouchFax terminals connected to local nodes in a metro area, which are in turn, linked to TouchFax central headquarters. The KC network will provide both local information content through providers like the Kansas City Star, as well as national information products from known and respected providers like the Official Airline Guide and Consumer Reports. The KC network will be in some ways analogous to a local television station, which brings in local and national programming. Yet TouchFax will be an interactive public access network, bringing an ever-expanding menu of enhanced fax, information, and services to the consumer.

The network of fifty terminals will be placed in locations to serve general consumers, small business people, and business travelers. The terminal provides communication and information services which addresses each of these segments.

Overview of TouchFax Kansas City (continued)

The KC Network of terminals offers to the public a unique new service unlike any experienced before. The encounter by the public with the terminal interface will be an experience in and of itself which is self-service, easy to use, friendly, interesting, fun, unique, and colorful. The consumer will enjoy easy access to services that are more and more in demand (like public fax), or highly specialized and unique (like Funnybone Personalized Greetings) or highly personalized and time-saving (such as the planned on-line classifieds). The user-friendly TouchFax interface organizes information in a world of information overkill. The terminals will provide a tangible value to the public in addition to an emotional experience that is rewarding, satisfying, and fun.

KC Network Locations

TouchFax will be placing the network of 50 locations in the following types of locations:

Convenience stores	Grocery stores
Super stores	Enclosed malls
Hotels	Libraries
Office supply stores	Universities
Bookstores	Convention centers

The following criteria were used in selecting these locations:

- High traffic of general consumers, small business people, and/or business travelers
- Mid to high income level areas
- Open 24 hours or has extended hours
- Customers have need for communication, information and other services on terminal

Terms of the Program

Exclusive Rights: TouchFax will have exclusive rights to provide self-service publicly accessible fax service at the location.

Terminal Placement: TouchFax will install and operate the terminal in a mutually agreeable location at the site.

Revenue Share: TouchFax will pay 10% of revenue to the location on gross revenue up to \$500 per month, and 15% on gross revenue exceeding \$500 per month.

Sources of Revenue:

- Public Fax
- Fax Mailbox Subscriber Usage
- Information Services
- Advertising

Term: The terminal agreement shall be for a period of one year, with an automatically renewable option.

**Terms of the
Program
(continued)**

**Installation and
Maintenance:**

TouchFax will be responsible for all costs of installation, service, repair and maintenance of the terminal. This includes phone line installation, monthly service, and long distance charges. The location will provide electricity.

**TouchFax
Property:**

The terminal installed shall at all times remain the sole and exclusive property of TouchFax.

Agreement:

The location will be required to sign a written agreement detailing the specification of the terms of the program.

TouchFax Terminal Services

PHASE I SERVICES:

Public Fax:

The public fax services provides easy to use, self-service, and receive faxes at the terminal.

Fax Mailbox:

The fax mailbox allows non-fax owning subscribers to obtain their own fax number (mailbox). Their faxes are electronically stored on the TouchFax system until they are retrieved using the terminal.

Copy Service:

Customers may use the terminal to make plain paper copies of documents.

Advertising:

The terminal may be used in three ways to advertise:

- Scrolling video ads
- External terminal signage
- Printouts which the customer receives

These advertisements provide revenue to the terminal and information to customers.

TouchFax Terminal Services (continued)

Funnybone Cartoon

Greeting Cards:

Funnybone cartoon greetings cards allows customer to choose a unique cartoon and personalize them partially or completely. Product selection will offer many different situations available for many different categories. They may be printed on card stock or faxed as a greeting or cover page.

Kansas City Star Services:

The Kansas City Star will be providing many different types of consumer services for the terminal, such as:

Coupon on demand:

Allows customers to receive coupons to mall stores of their choice (of those that participate), or for specific grocery products.

Restaurant Guide/Reviews:

Allows customers to find the type of cuisine preferred, then review description of each of the restaurants to determine the price, atmosphere, rating, location, etc., and even view a full menu of the restaurant.

Entertainment Guide:

Allows customers to choose the type of event desired, then receive a complete printout of the schedule for that particular event for the upcoming time frame.

**TouchFax
Terminal
Services
(continued)**

PHASE II SERVICES

OAG FlightFax:

OAG FlightFax provides the customer with a detailed report of all flight schedules, airlines, ticket prices, etc. according to the specifications entered by the customer.

Flower Sending Service:

Allows customers to see on-screen images of a variety of bouquets, plants, etc., then choose, purchase and send to anyone in the world.

**Consumer Reports Buyers
Information:**

The customer can obtain on-line access to CR Buyers Guide, Fax-on-Demand library of articles, and CR published Newsletters.

Prodigy Access:

Allows customers with Prodigy subscriptions access to Prodigy via the terminal.

Kansas City Star Services:

We anticipate addressing numerous other consumer information needs with services such as the following:

Article Database:

Allows consumer to choose from a large database of KC Star articles on various topics.

TouchFax Terminal Services (continued)

Messaging Services:

Consumers can send a letter to the Editor, or a Star columnist, or even to their Congressman easily and automatically through a TF terminal.

Interactive Game:

An interactive consumer game for consumer developed by the Kansas City Star

Western Union Mailgram:

Would provide mailgrams for overnight delivery, and also make it possible for overnight delivery of Funnybone Fax.

Small Business Information:

One to three page reports with specific small business information. Examples of reports would be where to obtain small business loans, grants, marketing partners, government aid for business, etc.

Consumer Newsletter Library:

A variety of popular newsletters will be stored on the terminal for printout. Topics of newsletters will range from general consumer issues on health, associations and hobbies to business traveler issues on industry trends, business associations and business tips.

TouchFax Terminal Services (continued)

PHASE III SERVICES:

Realty Fax:

Provides real estate seekers with a search and find capability to browse through a database of homes for sale. Users select criteria such as location, cost or size, and then view matches on-screen or print reports with images of their selections.

Photo Fax:

Provides a comprehensive, yet easy to use system for meeting people with similar interests. Operating like an on-line personals with a search and find interface, and the ability to deliver a faxed personal profile with a photo image of the person.

Kansas City Star Services:

In the future, customers will be able to use interactive programs on the terminal, such as on-line classifieds.

On-Line Classifieds:

Allows consumers to use selection criteria to find, browse and printout on-line classifieds. Also, customers may submit a classified ad to the KC Star directly via the terminal.

Terminal Specifications

Features:

- The terminal is free standing and uses a 2ft x 2ft floor space.
- It is computer driven with a jam-proof copy machine and plain paper laser printer.
- A 14" color touchscreen monitor offers ease of use.
- It provides a full size keyboard for word processing and personalizing a greeting card or fax.
- It includes a help button for customer assistance at the terminal or from an on-line live operator.
- Payment is made through credit card. There are no cash transactions.
- There is access to on-line information services.
- For operation the terminal requires an 110 outlet and a dedicated phone line.
- The terminal is encased in an ergonomically designed cabinet made of heavy steel construction.

Promotion of Location & Terminal Services

Kansas City Star:

- Provide daily promotion for services and locations

Direct Mail:

- Monthly mailing of 5,000 fax mailbox subscription brochures

Point of Sale Signage:

- L.E.D. terminal top
- Printed signage inserts on front of terminal
- Signs at entrance doors, location permitting
- Scrolling video ads

Publicity/Promotion:

- Regular news releases to local/national press
- TouchFax terminal-centered contest with the Star/ other media partner promoting

Special Promotion:

- On-site personnel offering free Funnybone cards to mall customers
- Advertising from information providers
- Cooperative promotions with locations

Benefits to the Location

- A revenue share of up to 15% of all terminal usage will be given to the location.
- The location will be heavily promoted by the KC Star, TouchFax direct mail, and publicity from both local and national sources.
- New customers will be attracted to the terminal.
- Exciting new services will be available to the location's established customer base.
- The site provider can be in a leading group of those participating in this national network.
- Customized applications will be developed and tailored to meet specific location needs.

Location Requirements

- A prominent site location for the terminal will be offered by the site provider that is mutually agreeable to the site provider and TouchFax.
- The site provider will provide access to a 110 volt outlet and electricity.

TouchFax Responsibilities

TouchFax will be responsible for the following:

- Installation of the terminal
- Necessary terminal signage
- Installation of phone lines
- Monthly accounting and detailed sales reports
- Service, repair and maintenance to the terminal on a regular basis
- Issuing commission checks to site provider
- Promoting and publicizing the TouchFax network both locally and nationally
- Promotional materials
- Terminal supplies such as paper and toner

Future of the TouchFax Terminal Network

At the present time, the TouchFax Terminal Network has been implemented in Montreal, and soon will be in Kansas City and New Jersey. Activities are under way to locate Terminal Networks in all major metropolitan areas and link them nationally to provide customers easy access to needed communication and information services across the country. TouchFax Terminals are already being installed internationally in Paris, Sweden, and Geneva.

With a growing menu of information services, TouchFax is fast becoming a major player in bringing an offering the general public easy access to the information age.

As the public comes to know the TouchFax Network the will expect to find the terminals where ever they travel; whether it be locally, nationally or internationally. The TouchFax Terminal will become a way of communicating as ordinary as the mail system is today and sites where terminals are installed will benefit from increased revenue, traffic, and general customer goodwill.

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